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THE AGRICULTURAL SITUATION.

A BRIEF SUMMARY OF ECONOMIC CONDITIONS

ISSUED MONTHLY BY THE BUREAU OF AGRICULTURAL ECONOMICS,
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BETTER TIMES

The expected sometimes happens. Agriculture has traveled a long lane of distress but the upturn in wheat and hogs plus well sustained cotton prices have brought it to a turn in the road. As things stand, it looks as though most of the major crops might have a higher gross value than last year. This has been widely heralded, numerous urban spokesmen having been busily counting the farmers' blessings ever since corn was knee high.

The wheat situation has certainly changed since last fall when growers were wondering where they could borrow enough more money to pay their taxes. The country-wide yield will apparently run over 15 bushels per acre, the best in six years, and for once the price improved in time to help the producer. The rise in price may probably be attributed to a short Canadian crop as much as any one factor. It was a curious freak of weather that cut the yield so sharply a few miles north of our border yet gave us a crop better than usual. Movement of wheat has been heavy and accomplished with no little credit to the railroads.

The other major money crops also give good promise, on the whole. Potatoes and fruit are on the way to good crops and apparently fairly good prices. Cotton looks like the largest crop with the best income in five years. Cotton now illustrates the profitable adjustment of production to demand.

The feed outlook is good as to roughage and small grains. There is plenty of hay and oats are turning out a splendid yield practically everywhere. Corn, however, is another story. There will be none too much mature corn in the cribs this fall. This corn situation is another case of bad weather; a larger acreage was planted this year than last.

The probability of a short corn crop adds impetus to the hog movement. The swine industry is well along in its periodic liquidation, with prices beginning to rise. Even if corn were cheap, hogs would still be headed toward a higher price level. As it is, expensive corn will be likely to induce still further liquidation of breeding stock and hog prices may be expected to reach a materially higher point by September next year.

All in all, agriculture is coming through in decidedly the best shape since 1920. The improvement is not without its causes. There is a double-barreled lesson for producers in the situation - first, that prices respond when supply comes down to the level of demand; second, that this season's rise in wheat and corn prices is a good deal due to a freak of the weather. It would require even more fortunate weather for livable prices for grain to survive any expansion of acreage.

KEY REGIONS AT A GLANCE

THE EAST - Has good crops of oats and fruit and excellent outlook for potatoes. Bad drought in southern New England and other local areas. Corn too far behind to make much grain. Dairying beginning to feel pressure of higher grain prices. General situation probably slightly better than last fall.

THE SOUTH - Rice and truck crops suffering locally from drought. Cotton crop prospect has improved during past month. Picking well under way in South. General expectations seems to be around 13 million bales. Leading sentiments appears to hold that such crop sold at or near prevailing prices means a prosperous year for the South.

CORN BELT - Selling hogs and hoping for corn to sell. Corn prospect has improved with warmer weather but everything points to a short crop and considerable soft corn. A mid-September frost would play havoc. Small grain yield splendid. General sentiment apparently rather more optimistic than last year.

WHEAT BELT - Turned out the best yield of wheat in six years. Heavy movement of grain to market. Large proportion of income being used in debt settlements. Some buying of badly needed machinery and automobiles. Preparing to sow winter wheat; talk of some increase in acreage.

RANGE COUNTRY - Range conditions generally splendid, with ample feed and grass curing well. Cattle situation confusing; many conflicting reports of continued liquidation, restocking, optimism and pessimism. General sentiment appears to feel pretty certain that cattle are going to "come back" in the not distant future. Sheep situation still favorable though many men have not been satisfied at wool prices this year.

PACIFIC COAST - Rains in north relieved situation and conditions materially improved during month. South still suffering from drought and livestock conditions poor. Has good crop of beans, sugar beets, prunes, cotton and citrus fruits, however. Profiting by diversity of products. Gross income probably will compare fairly well with last year.

CROP PRODUCTION

The following shows production of important crops in 1913, five-year average, last year, and estimates for this year. Compiled by Division of Crop and Livestock Estimates, B. A. E.

Figures given to nearest million, six ciphers omitted.

Crop	1913 Production	1918-1922 Average	1923 Production	1924 July Estimate	1924 Aug. Estimate
Wheat, bu.					
Winter	523	625	572	543	589
Spring	240	256	213	197	225
All	763	881	786	740	814
Corn, bu.	2,447	2,899	3,046	2,515	2,576
Oats, bu.	1,122	1,303	1,300	1,356	1,439
Barley, bu.	178	186	198	170	184
Rye, bu.	41	78	63	65	66
Cotton, bales	14.1	10.9	10.1	12.1	12.95
Potatoes, bu.	332	391	412	373	399
Hay, all, tons	64	86	89	90	89
Apples, bu.	145	167	197	196	184
Peaches, bu.	40	44	46	54	52
Flax, bu.	18	10	17	26	28
Tobacco, lbs.	954	1,361	1,491	1,294	1,202

General conditions during August pointed to somewhat more wheat, oats, barley, cotton, flax, and potatoes and slightly less hay, apples, peaches and tobacco than indicated by earlier forecasts.

AVERAGE PRICES, AT THE FARM, OF REPRESENTATIVE PRODUCTS
Month Ending August 1, 1924.

Actual prices received at the farm by producers. Average of reports covering the United States, weighted according to relative importance of county and State. Figures compiled by Division of Crop and Livestock Estimates of this Bureau. Quotations in dollars or cents.

Shows 1913, year ago, and latest available months.

	<u>July</u> <u>1913</u>	<u>July</u> <u>1923</u>	<u>June</u> <u>1924</u>	<u>July</u> <u>1924</u>
Cotton, per lb.	¢ 11.6	24.9	27.8	27.3
Corn, per bu.	¢ 64.3	87.0	80.8	98.3
Wheat, per bu.	¢ 79.2	89.6	98.5	105.8
Hay, per ton	\$ 10.45	12.20	13.75	13.49
Potatoes, per bu.	¢ 59.5	102.9	100.7	109.0
Oats, per bu.	¢ 37.6	40.3	46.8	49.4
Apples, per bu.	¢ 86.0	166.7	159.3	141.3
Beef cattle, per 100 lbs.	\$ 5.98	5.72	5.79	5.65
Hogs, per 100 lbs.	\$ 7.81	6.68	6.55	6.60
Eggs, per dozen	¢ 16.4	21.3	21.1	23.1
Butter, per lb.	¢ 24.8	37.0	36.3	37.0
Wool, per lb.	¢ 15.9	38.3	36.0	34.3
Veal calves, per 100 lbs.	\$ 7.46	8.00	7.91	7.88
Lambs, per 100 lbs.	\$ 6.05	10.60	11.21	10.50

Products higher than the general price level, and therefore "high priced", included cotton, wool, potatoes and corn. Products below the general price level, and therefore "low priced", included butter, wheat, hay, eggs, beef cattle, hogs. Foregoing all named in order of relative price, cotton being highest, hogs lowest.

The feature of the month was the rise in corn and wheat, which put the average of crop prices slightly above the general commodity price level - for the first time in four years.

PRICE INDEXES FOR MONTH ENDING August 1, 1924.
1913 = 100

Farm products figures from this Bureau; commodity groups from Bureau of Labor Statistics, (latter shown to nearest whole number). Shows year ago, and latest available months:

Farm Products

(Prices at the farm)

	<u>July</u> <u>1923</u>	<u>June</u> <u>1924</u>	<u>July</u> <u>1924</u>	<u>Month</u> <u>Trend</u>
Cotton	201	224	220	Lower
Corn	147	135	165	Higher
Wheat	114	125	135	Higher
Hay	111	125	123	Lower
Potatoes	160	157	170	Higher
Beef cattle	97	98	96	Lower
Hogs	89	87	88	Higher
Eggs	110	109	120	Higher
Butter	137	134	137	Higher
Wool	229	216	205	Lower

Commodity Groups

(Wholesale Prices)

	<u>July</u> <u>1923</u>	<u>June</u> <u>1924</u>	<u>July</u> <u>1924</u>	<u>Month</u> <u>Trend</u>
Farm products	135	134	141	Higher
Food, etc.	141	136	138	Higher
Cloths & clothing	193	187	187	Same
Fuel & lighting	183	175	173	Lower
Metal & met. products	145	132	130	Lower
Bldg. materials	190	173	169	Lower
Chemicals, etc.	128	127	126	Lower
House-furnishing goods	187	172	171	Lower
<u>ALL COMMODITIES</u>	<u>151</u>	<u>145</u>	<u>147</u>	<u>HIGHER</u>

RELATIVE PURCHASING POWER

(At July 1924 Farm Prices)

1913 = 100

<u>In terms of</u>	<u>Of a Unit of:</u>				
	<u>Cotton</u>	<u>Corn</u>	<u>Wheat</u>	<u>Hay</u>	<u>Potatoes</u>
All commodities	150	112	92	84	116
Cloths, etc.	118	88	72	66	91
Fuel, etc.	127	95	78	71	98
Metals, etc.	169	127	104	95	131
Bldg. Materials	130	98	80	73	101
House-furnishing goods	129	97	79	72	100

	<u>Beef Cattle</u>	<u>Swine</u>	<u>Eggs</u>	<u>Butter</u>	<u>Wool</u>
All commodities	65	60	82	93	139
Cloths, etc.	51	47	64	73	110
Fuel, etc.	55	51	69	79	119
Metals, etc.	74	68	92	105	158
Bldg. materials	57	52	71	81	121
House-Furnishing goods	56	51	70	80	120

The month of July witnessed a marked rise in prices of grain. Cotton, wool, potatoes and corn were high enough in price during July so that a unit could be exchanged for other types of commodities at an indicated advantage. The exchange value of wheat and butter is near enough to par to probably encourage production. The exchange value of hogs and beef cattle is so low as to discourage production.

The rise in grain prices, aided by a fall in non-agricultural commodities, brought the general index of purchasing power of farm products up from 79 in June to 83 in July. This is the highest point in 47 months.

COLD STORAGE SITUATION

August 1 holdings (Shows nearest million, six figures omitted:)

<u>Commodity</u>	<u>5-Year Average</u>	<u>Year Ago</u>	<u>Month Ago</u>	<u>Aug. 1, 1924</u>
Creamery butter, lbs.	103	102	74	133
American cheese, lbs.	52	56	45	66
Case eggs, cases	9	11	9	9
Total poultry, lbs.	31	41	35	34
Total beef, lbs.	94	46	59	50
Total pork, lbs.	819	866	873	810
Lard, lbs.	155	144	153	150
Lamb & Mutton, lbs.	4.5	2.7	3	2.2
Total meats, lbs.	992	983	1,005	930

Butter continued to move into storage during July, as is normal, though about 50 per cent more went into storage than during July last year. Stocks of meat continued to decrease.

Compared with the average situation this date, stocks are very low in case of beef and lamb; about average in case of eggs, poultry, pork, and lard; high in case of cheese and butter.

The general storage situation reflects the return of more normal balance between production and demand. It still tends to strengthen the position of lamb and beef producers, while the opposite is true of dairy products.

GENERAL TREND OF WAGES AND PRICES

1913 = 100

Year and Month	General Wage Level	Farm Wages	Retail Price of Food	Wholesale Price of Food	Wholesale Price All Commodities
	N.Y. factory workers (1914=100)	(Monthly without board)	Dept. of Labor	Dept. of Labor	Dept. of Labor
1913	---	100	100	100	100
1914	100	99	102	102	98
1915	103	99	101	105	101
1916	116	108	114	121	127
1917	131	133	146	167	177
1918	188	155	168	188	194
1919	188	186	186	207	206
1920	226	214	203	220	226
1921	206	143	153	144	147
1922	201	138	142	138	149
1923	218	155	146	144	154
<u>1923</u>					
January	210	133	144	141	156
February	207	---	142	141	157
March	216	---	142	143	159
April	216	147	143	144	159
May	221	---	143	144	156
June	223	---	144	142	153
July	221	159	147	141	151
August	217	---	146	142	150
September	220	---	149	147	154
October	222	161	150	148	153
November	221	---	151	148	152
December	224	---	150	147	151
<u>1924</u>					
January	223	151	149	143	151
February	222	---	147	143	152
March	226	153	144	141	150
April	222	157	141	137	148
May	217	---	141	137	147
June	218	159	142	136	145
July	217	159	143	139	147

GENERAL TREND OF PRICES

1913 = 100

Year and month	Farm Price Crops 15th of month	Farm Price Livestock 15th of month	Farm Price Crops and Livestock Combined	Wholesale price of Non-Agrl. Commodities*	Purchasing Power of Farm Products#
1913	100	100	100	100	100
1914	108	103	106	94	112
1915	110	95	102	97	106
1916	124	111	118	132	89
1917	208	164	186	176	106
1918	224	192	208	186	112
1919	234	198	216	195	111
1920	238	168	203	234	86
1921	109	107	108	161	67
1922	113	111	112	163	69
1923	136	103	120	167	72

1923

January	126	106	116	170	68
February	130	107	118	172	69
March	134	106	120	175	69
April	139	107	123	176	70
May	140	105	123	172	71
June	139	100	120	168	71
July	136	102	119	165	72
August	136	102	119	163	73
September	138	109	123	164	75
October	139	103	121	161	75
November	137	97	117	160	73
December	137	94	116	158	73

1924

January	140	97	119	160	74
February	141	98	120	162	74
March	138	100	119	161	74
April	140	102	121	159	76
May	139	103	121	157	77
June	142	102	122	155	79
July	155	101	128	154	83

* Department of Labor "All Commodities", excluding farm products and food.

Farm product index divided by index of non-agrl. commodities.

THE TREND OF MOVEMENT TO MARKET

Figures show wheat, corn, hogs, cattle, sheep receipts at primary markets; butter receipts at five markets, compiled by this Bureau. All figures given to nearest thousand, that is, three ciphers omitted:

Month	WHEAT Receipts Th. bu.	CORN Receipts Th. bu.	HOGS Receipts Thousands	CATTLE Receipts Thousands	SHEEP Receipts Thousands	BUTTER Receipts Th. lbs.
1921 Total	435,606	340,908	41,040	19,764	24,168	472,011
1922 "	413,106	378,598	44,067	23,218	22,364	530,601
1923 "	386,430	271,858	55,330	23,211	22,025	549,207
1923 Jan.	38,002	37,526	5,306	1,876	1,636	40,613
" Feb.	21,533	31,901	4,492	1,427	1,366	33,839
" Mar.	22,081	24,710	4,928	1,502	1,430	41,575
" Apr.	21,785	16,836	4,318	1,670	1,447	40,825
" May	17,457	10,809	4,524	1,900	1,794	54,617
" June	18,217	14,610	4,204	1,629	1,426	76,403
" July	36,435	18,515	4,181	1,903	1,661	64,086
" Aug.	63,012	20,845	3,714	2,214	1,800	47,831
" Sept	44,196	18,355	3,607	2,295	2,659	41,907
" Oct.	38,380	16,541	4,816	2,802	3,465	38,558
" Nov.	36,576	23,280	5,416	2,182	1,816	33,774
" Dec.	28,756	37,930	5,825	1,810	1,526	35,179
1924 Jan.	15,548	30,594	6,253	1,888	1,697	37,689
" Feb.	20,165	44,689	5,335	1,457	1,412	40,474
" Mar.	17,434	29,405	4,833	1,556	1,367	44,371
" Apr.	10,374	17,926	4,374	1,751	1,348	43,670
" May	16,039	15,988	4,321	1,890	1,344	57,462
" June	16,877	17,392	4,296	1,673	1,550	77,891
" July	39,911	18,453	4,091	1,798	1,672	78,089

New wheat began to roll into the markets in July. The advance in price over last year, coupled with a pressing need for funds, has induced growers to market wheat rather freely.

The run of hogs during July marked the continued liquidation, not only of old breeding stock but of light pigs as well - a reflection of the expectation of high-priced corn.

Butter receipts increase, probably reflecting the general trend of production.

THE TREND OF EXPORT MOVEMENT

Compiled from Department of Commerce reports by Division of Statistical Research of this Bureau.

Month	WHEAT including flour	TOBACCO (Leaf)	BACON HAMS AND SHOULDERS	LARD	TOTAL,* MEATS	COTTON# running bales
	1,000 Bushels	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Bales
1923 January	12,519	41,309	74,432	107,786	86,938	474
" February	12,197	24,380	64,488	89,056	75,023	360
" March	10,725	31,688	66,441	109,187	75,933	318
" April	10,195	40,141	68,528	85,475	77,963	260
" May	14,396	28,421	64,608	93,199	72,606	160
" June	12,881	49,730	59,473	64,605	68,799	215
" July	12,822	44,105	64,264	69,479	74,127	172
" August	19,929	33,480	69,194	83,758	80,112	244
September	22,465	37,646	76,911	83,630	88,833	689
" October	18,652	44,949	72,341	76,378	83,183	774
" November	12,147	49,381	71,947	74,251	85,069	767
" December	12,991	49,270	76,263	98,578	89,890	846
(1923 First 7 mos.)	85,735	259,774	462,234	618,787	531,389	1,959
1924 January	12,143	47,579	79,067	132,758	90,430	547
" February	10,019	39,183	81,108	99,910	90,462	482
" March	9,374	61,172	66,695	100,726	74,464	332
" April	8,418	59,219	57,546	73,307	64,474	321
" May	7,206	39,661	45,584	62,648	51,427	326
" June	10,257	52,614	44,145	59,475	49,807	231
" July	7,601	32,520	53,769	86,788	60,406	212
(1924 Seven months)	65,018	331,948	427,914	615,612	481,470	2,451

Cotton, pork products and tobacco exports strongly maintained as compared with last year. Wheat exports below last year.

* Includes fresh, canned and pickled beef, bacon, hams and shoulders; fresh, canned, and pickled pork; mutton and lamb.

Includes linters.

GENERAL BUSINESS INDICATORS
RELATED TO AGRICULTURE

	1923 July	1924 June	1924 July	Month's Trend
PRODUCTION				
Pig iron daily (Thou. tons)	119	68	58	Decrease
Bituminous coal (Millions tons)	45	30	32	Increase
Automobiles shipped (Thou. carloads)	32	26	28	Increase
CONSUMPTION				
Cotton by mills (Thou. bales)	463	350	347	Decrease
Unfilled orders Steel Corp. (Thou. T.)	5,911	3,262	3,187	Decrease
Building contracts (Millions dollars)	274	331	290	Decrease
Hogs slaughtered (Thousands)	2,652	2,852	2,605	Decrease
Cattle " "	1,104	1,030	1,141	Increase
Sheep " "	936	903	959	Increase
MOVEMENTS				
Bank clearings (N.Y.) (Billions dollars)	17	20	21	Increase
Car loadings (Thousands)	3,944	4,445	3,527	Decrease
Mail order sales (Millions dollars)	22	27	22	Decrease
Men employed, N. Y. State Factories (Thou.)	551	489	470	Decrease
Av. price 25 indus. stocks (Dollars)	102	109	113	Higher
Interest rate (60-90 day Paper)	4.94	3.91	3.53	Lower
Retail Food Price Index (Dept. Labor)	147	142	143	Higher
Wholesale Price Index (Dept. Labor)	151	145	147	Higher

Business is still quiet. The stock market has been active and security prices have risen for the most part in response to very low interest rates. Business men take hope from the easy money situation and from the approach of the fall season, but actual production and trade have not yet shown much sign of revival. There is considerable unemployment but wage rates are stubbornly maintained.

In spite of quiet times, however, the cities continue to absorb the usual quantity of farm products. Nothing in the urban situation appears likely to restrict prices of foodstuffs, though it is apparent that consumption of cotton and wool now hinges upon prices of the raw fibers, rather than the other way around.

THE SITUATION IN VARIOUS KEY STATES

(From Reports of State Statisticians of this Bureau)

IOWA - A large proportion of soft, immature corn is practically a certainty in Iowa this year. With normal fall weather and killing frosts at the normal date of October 7 from 60 to 65 per cent of the corn should reach maturity. Correlation studies show that there is a tendency for a cool June to be followed by a cool July, August and September with frosts coming earlier than usual. June temperature this year was 2 5 degrees below normal. A cool June has been followed by a July temperature of 3.6 degrees below normal and the August temperature to date, August 18th, is nearly 3 degrees below normal.

Unless the next six weeks are warmer than usual and much warmer than is expected, judging from past experience, less than half of the corn crop will reach maturity. The corn crop is about three weeks late at the present writing.

Iowa oats yields are bountiful. Many reports of yields running 75 bushels per acre have been received. Small grain in shock has been damaged by winds and frequent heavy rains. Pastures, meadows, and alfalfa are responding to the cool moist weather. -- Charles F. Sarle.

NORTH DAKOTA - August weather mostly cool with intermittent showers favoring filling of late grain but retarding progress of harvests. Corn, late planted potatoes and late shown flax to some extent show lack of growing weather. Night temperatures reached frost line in some eastern sections during second week. Late flax and seed crops of alfalfa and sweet clover would suffer, with corn, from an early frost. Wheat, oats and barley crops promise largest outturns in recent years. Harvest already well under way in eastern half of State. Some late wheat will show damage by rust but percentage of late wheat not large. Small spring grain now practically made and with present attractive levels of market prices the harvest outlook for North Dakota is brightest of any post-war year. Harvest labor continues adequate. -- J. G. Diamond.

WISCONSIN - Higher grain prices will increase the returns of Wisconsin farmers but little unless reflected in better milk prices. A materially higher level of butterfat and milk prices seems doubtful.

Farmers will go into the fall, however, with good pastures and full hay mows. The hay crop was big. Above average yields of small grains will offset the small corn prospects. There will be considerably less need than last year for purchased feed and hay.

Cash returns from the canning pea crop were good. Potatoes are promising, but tobacco is extremely backward. -- Paul O. Nyhus.

KENTUCKY - Broadly speaking, the financial condition of the farmer in Kentucky is very little, if any, better than it was a year ago. Prospects are a little more encouraging and there is a better feeling of optimism, but that is yet to be translated into cash or canceled notes. However, they feel somewhat encouraged.

The recent advances in prices of agricultural commodities are chiefly on the things of which the farmer is "short", - wheat, corn, hogs, cattle. For tobacco, which is the chief cash crop in most of the agricultural sections of this State, the prospect is not so encouraging. Manufacturers report heavy stocks on hand, the foreign market for the dark tobaccos of western Kentucky has been poor for several years. This season the acreage of dark tobacco is cut sharply. Burley acreage in central and northern Kentucky is not cut nearly so much, but attempts are being made to start a "cut-out" movement in the burley section, for the 1925 crop season; the spread of any such movement is very problematical.

The financial "sore spots" seem to be more in regions of high-grade, high-priced land, where the inflation of land prices was worst; while poorer sections where farms and mortgages were smaller and inflation of values less, seem to be having less difficulty meeting obligations than the "big fellows" with loans of \$8,000 or \$10,000 and upward. Actual delinquencies are relatively few, but are being avoided in some sections only by hardest efforts of farmers and bankers.

The growing corn crop is exceedingly irregular, the earliest safely "made" while the late corn, which constitutes a large part of the crop, will require a late, mild fall for reasonable maturity. Drought has been checking all crops in northern and north central counties constituting about one-third of the State. Tobacco is in a condition similar to corn, late, very irregular, needing a warm late summer and fall, and much rust and some wildfire has appeared but has been largely held in check by dry weather except in the extreme western counties. Oats have produced the best crop in many years and on an increased acreage due to frozen-out meadows, but practically all are used locally as feed. Sheep, lambs, and wool have been profitable and production apparently will increase. Likewise farm dairying, and poultry raising. -- H. F. Bryant.

COLORADO - Threshing of winter wheat progressing better than usual for this time of year and grain generally good weight and quality. Harvesting of spring grains commencing. Spring grains, corn, beans and other growing crops, especially dry-land crops, badly damaged by drought that has prevailed since June 1st; some cut for hay. Irrigation water generally holding out well in most sections. Best cantaloupe crop in five years. Onions, cabbage and sugar beets generally doing well. Early head lettuce only about 10 per cent crop; late lettuce still promising.

All classes livestock in good condition and fine flesh as range grasses have matured in most districts and are furnishing excellent feed; supply may be prematurely consumed but rains now with an early frost would likely injure quality of grass more than benefits from rains would amount to. Grasshoppers continue numerous in much of plain section of State. Farm labor supply generally proving equal to demand. Fruit developing well; early peaches reaching market, early potatoes moving normally from western Colorado, first shipments of cantaloupes just beginning from Rockyford section. Financial conditions generally reported a little easier; this is especially true in winter wheat districts where large crops are being marketed at more favorable prices than last year. -- W. W. Putnam.

TEXAS - The main interest of most of the population is now centered upon the cotton crop which has entered the critical stage. With a general, soaking rain soon it can yet exceed last year's production; without this, however, the large proportion of late acreage will make but little and cause a considerable reduction in the total production. Last year, cotton brought upwards of \$600,000,000 into the State; it is the most potent factor in the prosperity of producer, consumer and distributor.

Rain is also needed to repair the set-back given the range by the 10 weeks and more of dry weather and to insure winter grazing. Cattle, sheep and goats have generally held their own so far, but will begin to lose weight without relief from the heat and lack of rainfall. It is estimated that shipments of cattle during the last half of this year will be from 10 to 15 per cent less than during this period in 1923; and that sheep and lambs will show a reduction of almost 10 per cent. Much depends upon range conditions and the State of the market, however.

The corn crop has not been good in most of the State, while grain sorghums and hay will produce a surplus in very few counties. The effect of these conditions upon the feeding of stock and the raising of swine as well as upon the expense of making next year's crops will be of considerable moment. It is expected that the wheat acreage this fall will show a great increase over that sown last fall.

Sales of wheat, oats, wool, mohair, broomcorn, melons, and peaches during the month have swelled bank deposits. Check transactions continue to show a decrease below those of preceding months and below those of this last year. Declines are noted in new building and in orders for cement and lumber. Seasonal sales of farm implements manifest renewed activity; however, farm wagon sales show a decline due quite probably to the cotton crop falling below expectations. Labor is again coming into demand now for cotton picking, following the short flurry during the wheat and oat harvest.

-- H. H. Schutz.

NEBRASKA - The outstanding features of the Nebraska agricultural situation are advancing prices of grain, the excellent wheat yields that exceeded expectations and heavy market movement. The present condition of corn is very good, but its final outcome is rather uncertain due to being late. The first half of August was too cool for corn and the crop did not make the expected headway. It is generally reported 10 days to 2 weeks late. However, if the first killing frost does not come before the average date, 80 per cent of the crop should mature. Two weeks of dry weather and high temperatures would advance the dates of maturity greatly.

The farm situation has improved greatly during the past two months. Small grain crops have made very satisfactory yields and the increased prices received have enabled farmers to pay off debts. Hay crops are good and pastures have been better than the average throughout the season.

While the hog crop has been reduced greatly, cattle have increased. Not only has there been a marked increase in dairy cattle, but in beef cattle as well. Assessed cattle in the range and pasture this year have reached the same number on hand in 1920. The condition of stocker and feeder cattle in this section is better than last year. -- A. E. Anderson.

THE DAIRY SITUATION

(Thousands pounds, 000 omitted)

Stocks in Storage August 1

	<u>Butter</u>	<u>Cheese</u>	<u>Cond. & Evap. Milk</u>	<u>Milk Powder</u>
1924	133,402	65,716	280,644	21,468
1923	<u>101,774</u>	<u>55,839</u>	<u>194,350</u>	<u>7,595</u>
Increase	31,628 31.0%	9,877 17.7%	86,294 44.4%	13,873 182%

Receipts January 1 to July 31

	<u>Butter 4 Markets</u>	<u>Am. Cheese Wis. Markets</u>
1924	363,383	167,426
1923	<u>336,053</u>	<u>155,736</u>
Increase	27,330 8.1%	11,690 7.5%

Increase over 1923, January 1 to July 31

	<u>Cry. butter</u>	<u>All cheese</u>
Increase net imports	7,283	11,184
Production increase (est)	<u>54,660</u>	<u>18,057</u>
Gross increase	61,943	29,241
Storage increase	<u>31,628</u>	<u>9,877</u>
	30,315	19,364
Farm butter decrease	<u>6,000</u>	<u>- - -</u>
Consumption increase (est) (7 months)	24,315 <i>was</i>	19,364 <i>was</i>

Dry cool weather combined with fair to good pastures prevailed over the country during July, however, in New England drought was acute. The milk flow decreased normally 12 per cent from June and a corresponding decrease is shown in the receipts of butter on the four markets for July, which reached their peak the week of July 12, as against July 14, last year, and July 15 two years ago. The per cent of decrease in receipts of butter on the four markets since the peak has been slightly below that of last year but greater than two years ago. However, the number of tubs decreased for each of the three years has been about the same.

BUTTER consumption has increased over last year but not to the extent that consumption in 1923 increased over 1922. The increase in population requires 24,000,000 additional pounds of butter annually to continue the present per capita consumption. The first seven months of 1924 show an increase consumption of a little over 3,000,000 pounds per month, as against 7,000,000 per month last year, indicating that the rate of increase of consumption is slowing down somewhat from 1923. Indications are, however, that production is also slowing down from the tremendous increases which occurred in 1920, 1921 and 1922. In other words, considering the decreased production of farm butter and the increase of population an increase of 3,000,000 pounds of creamery butter per month is required to maintain consumption at the present rate of 17 pounds per person per annum.

The price of creamery butter decreased steadily during July until at the end of the month it took an upward turn.

CHEESE production for the first 7 months of the year shows an increase of 7.5 per cent. Storage stocks of cheese on July 1, held the same position as on May 1, or nearly 10,000,000 pounds more than the previous year. The balance of trade increased 11,000,000 pounds in imports during the first 7 months. However, during this period cheese consumption increased 19,000,000 pounds or slightly less than 3,000,000 pounds a month. The total imports of cheese amount to approximately 5,000,000 pounds per month but of this 3,000,000 pounds is of special foreign types not made in American factories, therefore not directly competitive with the American product. About 2,000,000 pounds of the imported product is competitive with the domestic product. The production of domestic Swiss cheese supplies only a little more than one-half of the demand of this country. During the World War when the foreign supply was cut off the domestic demand dropped to the supply of domestic production.

In the United States there are no open wholesale markets for cheese generally, except for American as all special varieties are marketed direct by the importers and jobbers or by contract with the manufacturers.

During the month of July, the price of American cheese remained practically unchanged.

CONDENSED AND EVAPORATED MILK stocks decreased during July and the increased stocks on August 1, over August 1 of last year are not as large as those on July 1, 1924, were over those of July 1, 1923. Export trade for the first 7 months was slightly larger than for the same period last year. August 1 stocks are considerably above normal, being 44.4 per cent larger than last year.

Stocks of milk powder are increasing but there are no figures available to show the trend of consumption of this product.

The ice cream trade has suffered the usual conditions incident to a cool summer. Production of ice cream has been affected in most sections

of the country and it is doubtful that the 1924 production will equal that of last year.

The season, milk flow, pastures and hay crops are practically normal for the country as a whole. New England, however, is below normal on account of drought conditions.

The imports of butter are not large and imports of cheese for the most part are not especially disconcerting to the dairy industry. Condensed milk is moving into export somewhat better and imports have been decreased. Fall prices of market milk are advancing and consumption of all products of the dairy industry increasing with the possible exception of ice cream.

DIVISION OF DAIRY AND POULTRY PRODUCTS, B. A. E.